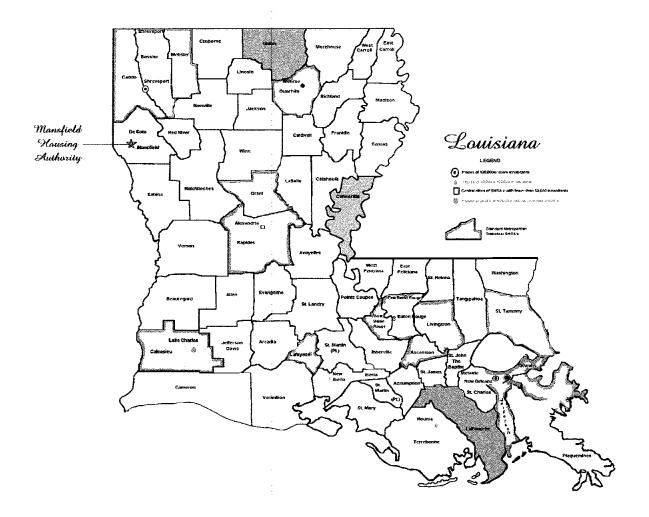
# HOUSING AUTHORITY OF THE TOWN OF MANSFIELD, LOUISIANA

**Annual Financial Statements** 

September 30, 2014

### HOUSING AUTHORITY OF THE TOWN OF MANSFIELD MANSFIELD, LOUISIANA



◆ Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low income housing programs in the United States. Accordingly, HUD has contracted with the entity to administer certain HUD funds. The entity is a public corporation, legally separate, fiscally independent and governed by Board of Commissioners.

### Table of Contents September 30, 2014

	Page No.
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-9
Basic Financial Statements	
Statement of Net Position.	11
Statement of Revenues, Expenses, & Changes In Net Position	12
Statement of Cash Flows.	13
Statement of Cash Flows Reconciliation	14
Notes to the Basic Financial Statements	15-23
Other Supplemental Statements and Schedules	
Schedule of Compensation Paid to Board Members	25
Supplementary Information	
Schedule of Compensation, Benefits & Other Payments to Agency Head or Chief Executive Officer	27
Statement and Certification of Actual Modernization Cost	28
Other Reports	
Independent Auditor's Report on Internal Control Over Financial Reporting on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards.	30-31
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133	32-33
Schedule of Expenditures of Federal Awards	34
Notes to the Schedule of Expenditures of Federal Awards	35
Schedule of Findings and Questioned Cost	36-37
Management's Corrective Action	38
Management's Summary of Prior Year Findings	39
Financial Data Schedule	40

John R. Vercher C.P.A. *jrv@centurytel.net* 

Jonathan M. Vercher M.S., C.P.A. jonathanvercher@centurytel.net

David R. Vercher M.B.A., C.P.A. davidvercher@ymail.com

### THE VERCHER GROUP

A Professional Corporation of Certified Public Accountants P.O. Box 1608 1737 N 2<sup>nd</sup> St. – Suite A Jena, Louisiana 71342 Tel: (318) 992-6348 **MEMBERS** 

American Institute of Certified Public Accountants

Society of Louisiana Certified Public Accountants

### INDEPENDENT AUDITOR'S REPORT

Fax: (318) 992-4374

Housing Authority of the Town of Mansfield, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Housing Authority of the Town of Mansfield, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Housing Authority of the Town of Mansfield, as of September 30, 2014, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Other Matters

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the Town of Mansfield's basic financial statements. The accompanying Financial Data Schedule, required by HUD, and supplementary schedules and statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The Financial Data Schedule, supplementary schedules and statements and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Financial Data Schedule, supplementary schedules and statements and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 22, 2015, on our consideration of the Housing Authority of the Town of Mansfield's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Housing Authority of the Town of Mansfield's internal control over financial reporting and compliance.

The Vercher Group

January 22, 2015 Jena, Louisiana

As management of the Housing Authority of the Town of Mansfield, we offer readers of the Authority's basic financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended September 30, 2014. We encourage readers to consider the information presented here in conjunction with the Authority's basic financial statements, which are attached.

### Financial Highlights

- o The assets of the Housing Authority exceeded its liabilities at the close of the most recent fiscal year by \$2,386,571 (net position). Of this amount, \$616,075 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- O The Housing Authority had total revenue of \$843,644. Of this amount, \$712,748 was operating revenues, \$14,561 was non-operating revenues, and \$116,335 was capital contributions.
- o The Housing Authority had total expenses of \$883,413, all of which was used for operating expenses. Of this amount, \$269,817 was for depreciation expense, which is a non-cash transaction.
- o The Housing Authority continues to operate without the need for debt borrowings during the current fiscal year.

### **Overview of the Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Authority is a special-purpose entity engaged only in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements.

Effective October 1, 2003, the Authority adopted Governmental Accounting Standards (GASB) Statement No. 34, Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments.

### Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority has two federally funded programs that are consolidated into a single enterprise fund.

Low Rent Public Housing – The Authority's Low Rent Public Housing rents housing units to low-income families. The Low Rent Public Housing program is operated under an Annual Contribution Contract (ACC) with HUD; HUD provides an operating subsidy to enable the Authority to provide housing at a rent that is based upon 30% of adjusted gross household income.

Capital Fund Program (CFP) – The Low Rent Public Housing Program also includes the CFP as the primary funding source for the Authority's physical and management improvements. CFP funding is provided by formula allocation and based upon size and age of the Authority's units.

### **Using This Annual Report**

The Housing Authority's annual report consists of financial statements that show information about the Housing Authority's fund, an enterprise fund.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the basic financial statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

### Reporting the Housing Authority's Most Significant Funds

The Housing Authority's financial statements provide detailed information about the most significant funds. Some funds are required to be established by the Department of Housing and Urban Development (HUD). However, the Housing Authority may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money. The Housing Authority's enterprise fund uses the following accounting approach:

Proprietary funds – All of the Housing Authority's services are reported in an enterprise fund. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

### **Balance Sheet**

The following table represents a Comparative Balance Sheet as of September 30, 2014:

	2013	2014	% Change
Current Assets	\$ 662,405	\$ 789,822	19.2
Current Restricted Assets	13,542	16,417	21.2
Capital Assets Net of Depreciation	1,921,472	1,770,496	-7.9
Total Assets	2,597,419	2,576,735	-0.8
Current Liabilities	123,299	153,155	24.2
Current Liabilities Payable from Restricted Assets	13,542	16,417	21.2
Non-Current Liabilities	17,974	20,592	14.6
Total Liabilities	154,815	190,164	22.8
Equity			
Net Investment in Capital Assets	1,921,472	1,770,496	-7.9
Unrestricted Net Position	521,132	616,075	18.2
Total Net Position	2,442,604	2,386,571	-2.3
Total Liabilities & Net Position	\$ 2,597,419	\$ 2,576,735	-0.8

- o Total assets decreased by \$20,684 or 0.8%. The main cause for this decrease is because of a decrease in capital assets, net of accumulated depreciation, in the amount of \$150,976.
- o Total liabilities increased by \$35,349 or 22.8%. The main cause for this increase is because of an increase in accrued PILOT in the amount of \$21,455.
- O Unrestricted net position increased by \$94,943 or %. The increase in current assets is the main contributor for this increase.

### **Changes in Net Position**

The following table reflects the Comparative Statement of Revenues, Expenses, and Changes in Net Position for the year ended September 30, 2014:

		2013	_	2014	% Change
Operating Revenue					
Tenant Revenue	\$	318,692	\$	312,994	-1.8
HUD PHA Operating		480,363		399,754	-16.8
<b>Total Operating Revenue</b>		799,055		712,748	-10.8
Operating Expenses					
Administrative		190,419		228,729	20.1
Utilities		84,201		84,667	0.6
Maintenance		219,845		197,262	-10.3
General Expenses		112,641		102,938	-8.6
Depreciation		280,001		269,817	-3.6
<b>Total Operating Expenses</b>		887,107		883,413	-0.4
Operating Income (Loss)	-	(88,052)		(170,665)	93.8
Non-Operating Revenue (Expenses)					
Investment Income		257		759	195.3
Other Revenue		16,589		13,802	-16.8
<b>Total Non-Operating Revenue (Expenses)</b>	-	16,846		14,561	-13.6
Capital Contributions		35,340		116,335	229.2
Change In Net Position		(35,866)		(39,769)	10.9
Prior Period Adjustment		-0-		(16,264)	-100.0
<b>Beginning Net Position</b>	-	2,478,470		2,442,604	-1.5
<b>Ending Net Position</b>	\$ _	2,442,604	\$	2,386,571	-2.3

- o Total operating revenues decreased by \$86,307 or 10.8%. This was mainly due to a decrease in HUD PHA Operating monies in the amount of \$80,609.
- o Total operating expenses decreased by \$3,694 or 0.4%. This was mainly due to a decrease in maintenance expense in the amount of \$22,583.
- o Non-operating revenues (expenses) changed by \$2,285 or 13.6%. This change is mainly due to a decrease in other revenue in the amount of \$2,787.
- o Capital contributions increased by \$80,995 or 229.2%.

#### Capital Asset & Debt Administration

### Capital Assets

At September 30, 2014, the Housing Authority had \$1,770,496 invested in a broad range of capital assets, including land, buildings, leasehold improvements, and furniture and equipment. This amount represents a net decrease (including additions, deductions and depreciation) of \$150,976 or 7.9% from last year.

Capital Assets at Year-End

		2013	2014
Land *	\$ _	47,446	\$ 47,446
Leasehold Improvements		654,869	654,869
Buildings		7,194,030	7,271,351
Furniture & Equipment, Etc.		305,801	347,322
Total	-	8,202,146	 8,320,988
Less Accumulated Depreciation		(6,280,674)	 (6,550,492)
Net Capital Assets	\$ _	1,921,472	\$ 1,770,496

<sup>\*</sup> Land in the amount of \$47,446 is not being depreciated.

No debt was issued for additions in capital assets.

This year's additions of \$118,142 consist of building and furniture/equipment purchases. We present more detailed information about our capital assets in the notes to the financial statements.

#### Debt

Our long-term debt consists of accrued annual leave of \$20,592. We present more detail about our long-term liabilities in the notes to the financial statements.

### Future Events that will impact the Authority

The Authority relies heavily upon HUD operating subsidies. The amount appropriated has not currently been approved for the 2015 fiscal year. Therefore, any results of budget shortfalls cannot be determined.

The Authority is under a contract through its Capital Fund Program to continue with the work as stated above and incorporate any new work items into its operation.

### Contacting the Housing Authority's Financial Management

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Housing Authority's finances and to show the Housing Authority's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Linda Washington, Acting Executive Director, at the Housing Authority of the Town of Mansfield, PO Box 1020, Mansfield, Louisiana, 71052, telephone number (318) 872-1383.

# Basic Financial Statements

### Housing Authority of the Town of Mansfield Mansfield, Louisiana Statement of Net Position September 30, 2014

ASSETS	ENTERPRISE FUND
CURRENT ASSETS	
Cash & Cash Equivalents	\$ 636,762
Investments	20,666
Receivables, Net	97,544
Inventory, Net	3,851
Prepaid Items	30,999
Restricted:	
Tenant Security Deposit Cash	16,417
TOTAL CURRENT ASSETS	806,239
Non-Current Assets	
Capital Assets, Net of Accumulated Depreciation	1,770,496
TOTAL NON-CURRENT ASSETS	1,770,496
	***************************************
TOTAL ASSETS	2,576,735
Liabilities	
CURRENT LIABILITIES	
Accounts Payable	13,899
Accrued Compensated Absences	7,488
Accrued PILOT	97,565
Accrued Wages & Payroll Taxes Payable	6,593
Prepaid Rents	27,610
TOTAL CURRENT LIABILITIES	153,155
LIABILITIES PAYABLE FROM RESTRICTED ASSETS	
Tenant Security Deposits	16,417
TOTAL LIABILITIES PAYABLE FROM RESTRICTED ASSETS	16,417
NON CURRENT LABORATION	
NON-CURRENT LIABILITIES Appropriated Absorbes	20.502
Accrued Compensated Absences	20,592
TOTAL NON-CURRENT LIABILITIES	20,592
TOTAL LIABILITIES	190,164
NET POSITION	
Net Investment in Capital Assets	1,770,496
Unrestricted	616,075
TOTAL NET POSITION	\$2,386,571

The accompanying notes are an integral part of this statement.

### Statement of Revenues, Expenses, & Changes In Net Position Year Ended September 30, 2014

	E	NTERPRISE FUND
OPERATING REVENUES	_	
Tenant Rental Revenue	\$	312,994
HUD PHA Operating Grant		399,754
TOTAL OPERATING REVENUE		712,748
OPERATING EXPENSES		
Administration:		
Administrative Salaries		126,211
EBC Administrative		51,768
Accounting/Legal		17,950
Other Operating - Administrative		32,800
Cost of Sales & Service:		
Water		41,432
Electricity		9,436
Gas		1,702
Sewer		23,360
Other Utilities		8,737
Ordinary Maintenance – Labor		87,473
Materials		39,834
Contract Cost		36,702
EBC Maintenance		33,253
Insurance		69,910
Compensated Absences		3,570
Payment in Lieu of Taxes		21,455
Bad Debt Tenant's Rent		8,003
Depreciation		269,817
TOTAL OPERATING EXPENSES		883,413
OPERATING INCOME (LOSS)		(170,665)
NONOPERATING REVENUE (EXPENSE)		
Other Revenue		13,802
Interest Earnings		759
TOTAL NONOPERATING REVENUE (EXPENSES)		14,561
CAPITAL CONTRIBUTIONS	##CC#9999	116,335
CHANGE IN NET POSITION		(39,769)
PRIOR PERIOD ADJUSTMENT		(16,264)
TOTAL NET POSITION - BEGINNING		2,442,604
TOTAL NET POSITION - ENDING	\$	2,386,571

The accompanying notes are an integral part of this statement.

### Housing Authority of the Town of Mansfield Mansfield, Louisiana Statement of Cash Flows Year Ended September 30, 2014

		Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES	-	
Receipts From Customers & Users	\$	334,041
Receipts From HUD		348,274
Payments to Suppliers & Others		(412,377)
Payments to Employees		(181,923)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	-	88,015
Cash Flows From NonCapital Financing Activities		
Cash Provided by Other Sources of Income		13,802
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	_	13,802
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Acquisition & Construction of Capital Assets		(118,842)
Capital Grants		116,335
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	-	(2,507)
Cash Flows From Investing Activities		
Interest & Dividends Received		759
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		759
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS		100,069
CASH, BEGINNING OF YEAR	_	553,110
CASH, END OF YEAR	_	653,179
RECONCILIATION TO BALANCE SHEET		
Cash and Cash Equivalents		636,762
Tenants' Security Deposits		16,417
TOTAL CASH & CASH EQUIVALENTS	\$ _	653,179

### Housing Authority of the Town of Mansfield Mansfield, Louisiana Statement of Cash Flows Year Ended September 30, 2014

### Reconciliation

### RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Operating Income (Loss)	\$	(170,665)
Depreciation Expense		269,817
(Increase) Decrease in Accounts Receivable		1,758
(Increase) Decrease in HUD Receivables		(51,480)
(Increase) Decrease in Inventories		(879)
(Increase) Decrease in Prepaid Items		4,115
Increase (Decrease) in Accounts Payable		(1,451)
Increase (Decrease) in Compensated Absences		3,570
Increase (Decrease) in PILOT		21,455
Increase (Decrease) in Wages & Payroll Taxes Payable		(7,514)
Increase (Decrease) in Tenant Security Deposits		2,875
Increase (Decrease) in Prepaid Rents		16,414
TOTAL ADJUSTMENTS		258,680
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$_	88,015
LISTING OF NONCASH INVESTING, CAPITAL, & FINANCIAL ACTIVITIES		
Contributions of Capital Assets From Government	\$	-0-

### NOTES TO THE BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2014

#### INTRODUCTION

The Housing Authority of the Town of Mansfield is a 140 unit apartment complex for persons of low income located in Mansfield, Louisiana. The Authority is chartered as a public corporation for the purpose of administering decent, safe and sanitary dwelling for persons of low-income.

Legal title to the Authority is held by the Housing Authority of the Town of Mansfield, Louisiana, a non-profit corporation. The Authority is engaged in the acquisition, modernization, and administration of low-rent housing. The Authority is administered by a governing Board of Commissioners (the Board), whose members are appointed by the Mayor of Mansfield, Louisiana. Each member serves a four-year term and receives no compensation for their services. Substantially all of the Authority's revenue is derived from subsidy contracts with the U. S. Department of Housing and Urban Development (HUD). The annual contributions contracts entered into by the Authority and HUD provide operating subsidies for Authority-owned public housing facilities for eligible individuals.

Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low-income housing programs in the United States. Accordingly, HUD has entered into a contract with the entity to make annual contributions (subsidies) for the purpose of funding its programs for low-income families.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the Housing Authority is legally separated and fiscally independent, the Housing Authority is a separate governmental reporting entity. The Housing Authority includes all funds, activities, etc., that are within the oversight responsibility of the Housing Authority.

The Housing Authority is a related organization of the Town of Mansfield because the Town of Mansfield appoints a voting majority of the Housing Authority's governing board. The Town of Mansfield is not financially responsible for the Housing Authority, as it cannot impose its will on the Housing Authority and there is no possibility for the Housing Authority to provide financial benefit to, or impose financial burdens on, the Town of Mansfield. According, the Housing Authority is not a component unit of the financial reporting entity of the Town of Mansfield.

### 1. SUMMARY OF ORGANIZATION & SIGNIFICANT ACCOUNTING POLICIES

#### A. BASIC FINANCIAL STATEMENTS

The basic financial statements (i.e., the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position) report information on all of the activities of the Housing Authority.

### NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED) SEPTEMBER 30, 2014

### B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & FINANCIAL STATEMENT PRESENTATION

The basic financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The accompanying financial statements include the activities of several housing programs subsidized by HUD. A summary of each significant program is provided below.

- Low Income Housing Program The purpose of the low income housing program is to provide decent and affordable housing to low income families at reduced rents. The developments are owned, maintained and managed by the authority. The developments are acquired, developed and modernized under HUD's capital funds programs. Funding of the program operations is provided via federal annual contribution contracts (operating subsidies) and tenant rents (determined as a percentage of family income, adjusted for family composition).
- Capital Fund Program The Conventional Public Housing Program also includes the Capital Fund Program, the primary funding source for the Housing Authority's physical and management improvements. The funding calculation is based on the size and age of the Housing Authority's units.

As a general rule, the effect of Interfund activity has been eliminated from the basic financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned.

Operating revenues and expenses have been reported separately from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The primary operating revenue of the housing authority is derived from tenant revenue. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the housing authority's policy to use restricted resources first, then unrestricted resources as they are needed.

### NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED) SEPTEMBER 30, 2014

### Impact of Recently Issued Accounting Principles

In December 2010, the GASB issued Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. GASBS No. 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This Statement is effective for periods beginning after December 15, 2011, and has been implemented in fiscal year 2012. The adoption of GASBS No. 62 does not have any impact on the Authority's financial statements.

In June 2011, the GASB issued Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. GASBS No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The Statement of Net Assets is renamed the Statement of Net Position and includes the following elements: assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. This Statement is effective for periods beginning after December 15, 2011, and has been implemented in fiscal year 2012. The adoption of GASBS No. 63 does not have any impact on the Authority's financial statements.

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

### C. EQUITY CLASSIFICATIONS

In the government-wide financial statements, equity is classified as Net Position and displayed in three components as applicable. The components are as follows:

<u>Invested in Capital Assets</u>-Capital assets including restricted capital assets, when applicable, net of accumulated depreciation.

<u>Restricted Net Position-</u> Net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

### NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED) SEPTEMBER 30, 2014

<u>Unrestricted Net Position-All</u> other net position that does not meet the definition of "restricted" or "invested in capital assets."

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted net resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

#### D. DEPOSITS & INVESTMENTS

The Housing Authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Housing Authority's investment policy allow the Housing Authority to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

Investments (bank certificate of deposits in excess of 90 days) for the Housing Authority are reported at fair value.

### E. RECEIVABLES & PAYABLES

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year referred to as either "due to/from other funds" (i.e., the current portion of Interfund loans) or "advances to/from other funds" (i.e., the non-current portion of Interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the accompanying basic financial statements, are offset by a restriction on net position. All trade and other receivables are shown net of an allowance for uncollectibles.

#### F. INVENTORIES & PREPAID ITEMS

All inventories are valued at cost using the first-in/first out method. Inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

### NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED) SEPTEMBER 30, 2014

#### G. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable columns in the basic financial statements. Capital assets are capitalized at historical cost. The housing authority maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense included during the current fiscal year was \$-0-. Of this amount, \$-0- was included as part of the cost of capital assets under construction in connection with construction projects.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Description	Estimated Lives
Land Improvements	15-20 years
Buildings & Building Improvements	15-40 years
Furniture & Fixtures	3-7 years
Equipment	3-7 years
Vehicles	5 years

#### H. COMPENSATED ABSENCES

The Housing Authority has the following policy relating to vacation and sick leave:

The Authority follows the civil service guidelines for vacation and sick leave. Employee's time is accumulated in accordance to hours worked per month. At year-end, time not used is accumulated.

At September 30, 2014, employees of the PHA have accumulated and vested \$24,510 of employee leave benefits, computed in accordance with GASB Codification Section C60. The balance of accrued compensated absences at September 30, 2014, was \$6,536 recorded as current obligation and \$17,974 recorded as non-current obligation.

#### I. LONG-TERM OBLIGATIONS

In the basic financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

### Notes to the Basic Financial Statements - (Continued) September 30, 2014

#### J. EXTRAORDINARY & SPECIAL ITEMS

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the Housing Authority, which are either unusual in nature or infrequent in occurrence.

#### K. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

### 2. CASH & INVESTMENTS (CD'S IN EXCESS OF 90 DAYS)

At September 30, 2014, the Housing Authority has cash and investments (bank balances) totaling \$690,525 as follows:

Demand deposits	\$ 669,859
Time deposits	 20,666
Total	\$ 690,525

Of the above amounts, \$16,417 is restricted for tenant's security deposits.

These deposits are stated at cost, which approximated market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

#### **Deposits**

It is the housing authority's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The housing authority's deposits are categorized to give an indication of the level of risk assumed by the housing authority at year end. The categories are described as follows:

- Category 1 Insured or collateralized with securities held by the housing authority or by its agent in the housing authority's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the housing authority's name.
- Category 3 Uncollateralized.

### Notes to the Basic Financial Statements - (Continued) September 30, 2014

Amounts on deposit are secured by the following pledges:

Description	P	Market Value
FDIC (Category 1)	\$	270,666
Securities (Category 2)		1,672,046
Total	\$	1,942,712

Deposits were fully secured as of September 30, 2014.

### 3. RECEIVABLES

The receivables of \$97,544 as of September 30, 2014, were as follows:

HUD Receivable	\$ 94,068
Tenant's Rents	13,779
Allowance for Doubtful Accounts	(10,303)
Total	\$ 97,544

### 4. PREPAID ITEMS

The Housing Authority's prepaid items as of September 30, 2014, consist of the following:

Prepaid Insurance	\$ 30,999
Total	\$ 30,999

### 5. CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2014, was as follows:

	Beginning						Ending
		Balance		Additions	<b>Deletions</b>		 Balance
Land *	\$	47,446	\$	-0-	\$	-0-	\$ 47,446
Leasehold Improvements		654,869		-0-		-0-	654,869
Buildings		7,194,030		77,321		-0-	7,271,351
Furniture & Equipment, Etc.	_	305,801		41,521	_	-0-	 347,322
Total		8,202,146		118,842		-0-	8,320,988
Less Accumulated Depreciation		(6,280,674)		(269,818)		-0-	(6,550,492)
Net Capital Assets	\$_	1,921,472	\$	(150,976)	\$_	-0-	\$ 1,770,496

<sup>\*</sup> Land in the amount of \$47,446 is not being depreciated.

### NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED) SEPTEMBER 30, 2014

### 6. ACCOUNTS, SALARIES & OTHER PAYABLES

The payables of \$153,155 at September 30, 2014, are as follows:

Accounts Payable	\$ 13,899
Wages & Payroll Taxes Payable	6,593
Accrued Compensated Absences (Current)	7,488
Accrued Pilot	97,565
Unearned Revenue	27,610
Total	\$ 153,155

### 7. CHANGES IN COMPENSATED ABSENCES PAYABLES

The following is a summary of changes in compensated absences payable at September 30, 2014:

	Current	Noncurrent	Total
Beginning of year	\$ 6,536	\$ 17,974	\$ 24,510
Additions/Retirements	952	2,618	3,570
End of year	\$ 7,488	\$ 20,592	\$ 28,080

### 8. LONG-TERM OBLIGATIONS

To provide for the development and modernization of low-rent housing units, the PHA issued New Housing Authority Bonds and Permanent Notes-FFB. These bonds and notes are payable by HUD and secured by annual contributions. The bonds and notes do not constitute a debt by the Authority, and accordingly, have not been reported in the accompanying financial statements. This debt has been reclassified to HUD equity.

### 9. <u>CONTINGENT LIABILITIES & SUBSEQUENT EVENTS</u>

The Housing Authority is subject to possible examinations made by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the Housing Authority in the current and prior years. These examinations may result in required refunds by the Housing Authority to federal grantors and/or program beneficiaries.

### NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED) SEPTEMBER 30, 2014

### 10. COMMITMENTS & CONTINGENCIES

**Litigation** – The housing authority is not presently involved in litigation.

Construction Projects – There are certain major construction projects in progress as of September 30, 2014. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

**Grant Disallowances** – The housing authority participates in a number of federally assisted grant programs. Although the grant programs are audited in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, these programs are still subject to compliance audits. Housing authority management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

### 11. <u>ECONOMIC DEPENDENCY</u>

Statement of Financial Accounting Standard (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing & Urban Development provided \$516,089 to the Housing Authority, which represents approximately 61.2% of the Housing Authority's revenue for the year.

### 12. PENSION PLAN

The Housing Authority provides a SEP plan to its employees where the Housing Authority contributes 8% of the employee's base salary and the employee contributes 0%. The Housing Authority's contribution was \$17,095.

### 13. Prior Period Adjustment

The Housing Authority made a prior period adjustment in the amount of \$16,264 to move expenses to Low Rent originally allocated to CFP.

## Other Supplemental Statements & Schedules

### Housing Authority of the Town of Mansfield Mansfield, Louisiana Schedule of Compensation Paid to Board Members Year Ended September 30, 2014

Board Member	Title						
Shirley Purvis	Chairman						
Mary Nell Chatman	Vice-Chairman						
James Booker	Board Commissioner						
Clarence Lancaster	Board Commissioner						
Nettie Whitaker	<b>Board Commissioner</b>						

Each board member received \$0 per meeting when present.

**Supplementary Information** 

### Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer For the Year Ended September 30, 2014

### Mansfield Housing Authority

Purpose	Amount
Salary	62,107.00
Benefits-Insurance	7,143.84
Benefits-Retirement	8,638.32
Benefits (List any other here)	-0-
Car Allowance	-0-
Vehicle Provided by Government	633.00
Per Diem	-0-
Reimbursements	-0-
Travel	-0-
Registration Fees	-0-
Conference Travel	-0-
Continuing Professional Education Fees	-0-
Housing	-0-
Un-vouchered Expenses*	-0-
Special Meals	-0-

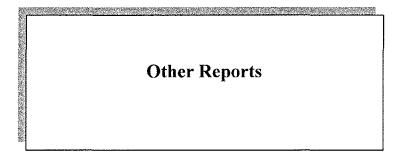
<sup>\*</sup>An example of an un-vouchered expense would be a travel advance.

### Statement and Certification of Actual Modernization Cost Annual Contribution Contract September 30, 2014

		CFP Project 501-2009	CFP Project 501-2010	oject Project Project		Project	CFP Project 501-2013		Total	
The Actual Modernization Costs are as follows:						-			_	710100
1. Funds Authorized Total	\$	203,289	\$ 210,277	\$	178,614	\$	157,819 \$	150,858	\$	900,857
Funds Expended	-	(195,563)	(204,442)		(169,196)		(121,502)	(26,000)	•	(716,703)
Excess of Funds Approved	=	7,726	5,835		9,418	:	36,317	124,858	**	184,154
2. Funds Advanced		203,289	210,277		169,196		121,502	26,000		730,264
Funds Expended	-	(195,563)	(204,442)		(169,196)		(121,502)	(26,000)		(716,703)
Excess of Funds Advanced	\$	7,726	\$ 5,835	\$	-0-	\$	-0- \$	-0-	\$ _	13,561

<sup>3.</sup> The distribution of costs by project as shown on the final schedule of Capital Fund expenditures accompanying the actual Capital Fund cost certificate submitted to HUD for approval is in agreement with the PHA's records.

<sup>4.</sup> All Capital Fund costs have been paid and all related liabilities have been discharged through payment.



John R. Vercher C.P.A. *jrv@centurytel.net* 

Jonathan M. Vercher M.S., C.P.A. *jonathanvercher@centurytel.net* 

David R. Vercher M.B.A., C.P.A. davidvercher@ymail.com

### THE VERCHER GROUP

A Professional Corporation of Certified Public Accountants P.O. Box 1608 1737 N 2<sup>nd</sup> St. – Suite A Jena, Louisiana 71342 Tel: (318) 992-6348 Fax: (318) 992-4374

#### **MEMBERS**

American Institute of Certified Public Accountants

Society of Louisiana Certified Public Accountants

# INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Housing Authority of the Town of Mansfield, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Housing Authority of the Town of Mansfield, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Housing Authority of the Town of Mansfield's basic financial statements, and have issued our report thereon dated January 22, 2015.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Housing Authority of the Town of Mansfield's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the Town of Mansfield's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the Town of Mansfield's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did not identify any deficiencies in internal control that we consider to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Housing Authority of the Town of Mansfield's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document and its distribution is not limited.

The Vercher Group

January 22, 2015 Jena, Louisiana John R. Vercher C.P.A. *jrv@centurytel.net* 

Jonathan M. Vercher M.S., C.P.A. jonathanvercher@centurytel.net

David R. Vercher M.B.A., C.P.A. davidvercher@ymail.com

### THE VERCHER GROUP

A Professional Corporation of Certified Public Accountants P.O. Box 1608 1737 N 2<sup>nd</sup> St. – Suite A Jena, Louisiana 71342 Tel: (318) 992-6348 Fax: (318) 992-4374 **MEMBERS** 

American Institute of Certified Public Accountants

Society of Louisiana Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Housing Authority of the Town of Mansfield Mansfield, Louisiana

### Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the Town of Mansfield's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of the Town of Mansfield's major federal programs for the year ended September 30, 2014. The Housing Authority of the Town of Mansfield's major federal programs is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

### Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

#### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Housing Authority of the Town of Mansfield's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of the Town of Mansfield's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Housing Authority of the Town of Mansfield's compliance.

#### Opinion on Each Major Federal Program

In our opinion, the Housing Authority of the Town of Mansfield, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2014.

### Report on Internal Control Over Compliance

Management of the Housing Authority of the Town of Mansfield, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Housing Authority of the Town of Mansfield's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the Town of Mansfield's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

This report is intended solely for the information and use of management, the Legislator Auditor, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document and its distribution is not limited.

### The Vercher Group

Jena, Louisiana January 22, 2015

# Housing Authority of the Town of Mansfield Mansfield, Louisiana

#### Schedule of Expenditures of Federal Awards For the Year Ended September 30, 2014

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures (\$)
Other Programs			
Department of Housing and Urban			
Development Direct Programs	14.050		#222 2 <i>56</i>
Public and Indian Housing	14.850		\$322,356
Total Department of Housing and			322,356
Urban Development			
Department of Housing and Urban			
Development Direct Programs			
Public Housing Capital Fund	14.872		193,733
Total Department of Housing and			193,733
Urban Development			·
Total Other Programs			516,089
Total Expenditures of Federal Awards			\$516,089

#### Housing Authority of the Town of Mansfield Mansfield, Louisiana

#### Notes to the Schedule of Expenditures of Federal Awards For the Year Ended September 30, 2014

#### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A – Single Audit Requirements

In July 1996, the Single Audit Act Amendments of 1996 (1996 Act) were enacted and superseded the Single Audit Act of 1984. In June 1997 OMB issued a revised Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, to implement the changes from the 1996 Act and to rescind Circular A-128. Per the 06/27/2003 revision of OMB Circular A-133, new requirements state that an entity expending \$500,000 or more of federal funds adhere to the requirements of Single Audit effective for fiscal years ending 12/31/2003 and forward.

The funds used to account for these funds use the accrual basis of accounting.

#### 1.) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority. The Housing Authority reporting entity is defined in Note 1 to the Housing Authority's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included on the schedule.

#### 2.) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Housing Authority's basic financial statements.

#### 3.) Relationship To Basic Financial Statements

a. . . .

Federal award revenues are reported in the Housing Authority's basic financial statements as follows:

Other Programs	
Public and Indian Housing	\$ 322,356
Public Housing Capital Fund	193,733
Total	\$ 516,089

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with U.S. generally accepted accounting principles.

#### 4.) Federal Awards

In accordance with HUD Notice PIH 98-14, "federal awards" do not include the Housing Authority's operating income from rents or investments (or other non-federal sources). In addition, the entire amount of operating subsidy received during the fiscal year is considered to be "expended" during the fiscal year.

## HOUSING AUTHORITY OF THE TOWN OF MANSFIELD MANSFIELD, LOUISIANA

#### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended September 30, 2014

We have audited the basic financial statements which collectively comprise the Housing Authority of the Town of Mansfield, Louisiana, as of and for the year ended September 30, 2014 and have issued our report thereon dated January 22, 2015. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the basic financial statements as of September 30, 2014, resulted in an unmodified report.

Sec	ction I Summary of Auditor's Results
a.	Report on Internal Control and Compliance Material to the Basic Financial Statements
	Internal Control  Material Weaknesses
	Compliance Compliance Material to Basic Financial Statements
<b>b.</b>	Federal Awards
	Internal Control  Material Weaknesses  Yes No Other Conditions Yes No
	Type of Opinion On Compliance Unmodified Modified For Major Programs Disclaimer Adverse
	Are the findings required to be reported in accordance with Circular A-133, Section .510(a)?
	☐ Yes ⊠ No
	Identification Of Major Programs:
CFI	DA Number (s) Name Of Federal Program (or Cluster)
4.8	Public and Indian Housing
Dol	lar threshold used to distinguish between Type A and Type B Programs: \$300,000
s th	ne auditee a 'low-risk' auditee, as defined by OMB Circular A-133?

## HOUSING AUTHORITY OF THE TOWN OF MANSFIELD MANSFIELD, LOUISIANA

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended September 30, 2014

Section II Financial Statement Findings	
No items to report.	
Section III Federal Awards Findings and Questioned Costs.	

No items to report.

## HOUSING AUTHORITY OF THE TOWN OF MANSFIELD MANSFIELD, LOUISIANA

## MANAGEMENT'S CORRECTIVE ACTION FOR CURRENT YEAR AUDIT FINDINGS

#### FINDINGS:

No findings to report.

# HOUSING AUTHORITY OF THE TOWN OF MANSFIELD MANSFIELD, LOUISIANA For the Year Ended September 30, 2014

## MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS

Legislative Auditor State of Louisiana Baton Rouge, Louisiana 70804-9397

The management of the Housing Authority of the Town of Mansfield, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended September 30, 2013.

#### **PRIOR YEAR FINDINGS**

#### 2013-I-1 Payroll Tax Reporting (Resolved)

*Finding:* During the fiscal year, \$7,590 of payroll checks and the related withholding of payroll taxes were not included and related taxes paid on IRS forms 941. Also, Louisiana State withholding form L-1 was not filed and the related withheld taxes not paid.

Corrective Action: The executive director has assigned someone in management to perform an additional review of payroll reporting forms at the end of each quarter to determine that the forms are correct.

### Financial Data Schedule

#### Mansfield, LA

#### **Entity Wide Balance Sheet Summary**

Submission Type: Audited/A-133

	Project Total	Subtotal	Total
111 Cash - Unrestricted	\$636,762	\$636,762	\$636,762
112 Cash - Restricted - Modernization and Development		,	
113 Cash - Other Restricted			
114 Cash - Tenant Security Deposits	\$16,417	\$16,417	\$16,417
115 Cash - Restricted for Payment of Current Liabilities			
100 Total Cash	\$653,179	\$653,179	\$653,179
121 Accounts Receivable - PHA Projects		· · · · · · · · · · · · · · · · · · ·	
122 Accounts Receivable - HUD Other Projects	\$94,068	\$94,068	\$94,068
124 Accounts Receivable - Other Government		***************************************	
125 Accounts Receivable - Miscellaneous			
126 Accounts Receivable - Tenants	\$13,779	\$13,779	\$13,779
126.1 Allowance for Doubtful Accounts -Tenants	-\$10,303	-\$10,303	-\$10,303
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current			
128 Fraud Recovery			
128.1 Allowance for Doubtful Accounts - Fraud			
129 Accrued Interest Receivable			
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$97,544	\$97,544	\$97,544
131 Investments - Unrestricted	\$20,666	\$20,666	\$20,666
132 Investments - Restricted			
135 Investments - Restricted for Payment of Current Liability			
142 Prepaid Expenses and Other Assets	\$30,999	\$30,999	\$30,999
143 Inventories	\$3,851	\$3,851	\$3,851

#### Mansfield, LA

#### **Entity Wide Balance Sheet Summary**

Submission Type: Audited/A-133

	Project Total	Subtotal	Total
143.1 Allowance for Obsolete Inventories	\$0	\$0	\$0
144 Inter Program Due From			
145 Assets Held for Sale			
150 Total Current Assets	\$806,239	\$806,239	\$806,239
161 Land	\$47,446	\$47,446	\$47,446
162 Buildings	\$7,271,351	\$7,271,351	\$7,271,351
163 Furniture, Equipment & Machinery - Dwellings	\$138,566	\$138,566	\$138,566
164 Furniture, Equipment & Machinery - Administration	\$208,756	\$208,756	\$208,756
165 Leasehold Improvements	\$654,869	\$654,869	\$654,869
166 Accumulated Depreciation	-\$6,550,492	-\$6,550,492	-\$6,550,492
167 Construction in Progress			
168 Infrastructure			
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,770,496	\$1,770,496	\$1,770,496
171 Notes, Loans and Mortgages Receivable - Non-Current			
172 Notes, Loans, & Mortgages Receivable - Non Current - Past			
173 Grants Receivable - Non Current			
174 Other Assets			
176 Investments in Joint Ventures		1	
180 Total Non-Current Assets	\$1,770,496	\$1,770,496	\$1,770,496
200 Deferred Outflow of Resources			
290 Total Assets and Deferred Outflow of Resources	\$2,576,735	\$2,576,735	\$2,576,735

#### Mansfield, LA

#### **Entity Wide Balance Sheet Summary**

Submission Type: Audited/A-133

	Project Total	Subtotal	Total
311 Bank Overdraft			
312 Accounts Payable <= 90 Days	\$13,899	\$13,899	\$13,899
313 Accounts Payable >90 Days Past Due			
321 Accrued Wage/Payroll Taxes Payable	\$6,593	\$6,593	\$6,593
322 Accrued Compensated Absences - Current Portion	\$7,488	\$7,488	\$7,488
324 Accrued Contingency Liability			1
325 Accrued Interest Payable			
331 Accounts Payable - HUD PHA Programs			
332 Account Payable - PHA Projects			
333 Accounts Payable - Other Government	\$97,565	\$97,565	\$97,565
341 Tenant Security Deposits	\$16,417	\$16,417	\$16,417
342 Unearned Revenue	\$27,610	\$27,610	\$27,610
343 Current Portion of Long-term Debt - Capital			
344 Current Portion of Long-term Debt - Operating Borrowings			
345 Other Current Liabilities			
346 Accrued Liabilities - Other			
347 Inter Program - Due To			
348 Loan Liability - Current			
310 Total Current Liabilities	\$169,572	\$169,572	\$169,572
351 Long-term Debt, Net of Current - Capital Projects/Mortgage			
352 Long-term Debt, Net of Current - Operating Borrowings			
353 Non-current Liabilities - Other			
354 Accrued Compensated Absences - Non Current	\$20,592	\$20,592	\$20,592
355 Loan Liability - Non Current			-
356 FASB 5 Liabilities			
		L	<del></del>

#### **Entity Wide Balance Sheet Summary**

	Project Total	Subtotal	Total
357 Accrued Pension and OPEB Liabilities			
350 Total Non-Current Liabilities	\$20,592	\$20,592	\$20,592
300 Total Liabilities	\$190,164	\$190,164	\$190,164
400 Deferred Inflow of Resources			
508.4 Net Investment in Capital Assets	\$1,770,496	\$1,770,496	\$1,770,496
511.4 Restricted Net Position			
512.4 Unrestricted Net Position	\$616,075	\$616,075	\$616,075
513 Total Equity - Net Assets / Position	\$2,386,571	\$2,386,571	\$2,386,571
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$2,576,735	\$2,576,735	\$2,576,735

#### **Entity Wide Revenue and Expense Summary**

Submission Type: Audited/A-133

Project Total	Subtotal	Total
\$299,012	\$299,012	\$299,012
\$13,982	\$13,982	\$13,982
\$312,994	\$312,994	\$312,994
\$399,754	\$399,754	\$399,754
\$116,335	\$116,335	\$116,335
	· · · · · · · · · · · · · · · · · · ·	
	,	
\$759	\$759	\$759
\$13,802	\$13,802	\$13,802
\$843,644	\$843,644	\$843,644
\$126,211	\$126,211	\$126.211
	\$299,012 \$13,982 \$312,994 \$399,754 \$116,335 \$759 \$759	\$299,012 \$299,012 \$13,982 \$13,982 \$312,994 \$312,994 \$399,754 \$399,754 \$116,335 \$116,335 \$759 \$759

#### **Entity Wide Revenue and Expense Summary**

	Project Total	Subtotal	Total
91200 Auditing Fees	\$7,950	\$7,950	\$7,950
91300 Management Fee			
91310 Book-keeping Fee			
91400 Advertising and Marketing		,,,,	
91500 Employee Benefit contributions - Administrative	\$51,768	\$51,768	\$51,768
91600 Office Expenses	\$19,109	\$19,109	\$19,109
91700 Legal Expense	\$10,000	\$10,000	\$10,000
91800 Travel	\$314	\$314	\$314
91810 Allocated Overhead			
91900 Other	\$13,377	\$13,377	\$13,377
91000 Total Operating - Administrative	\$228,729	\$228,729	\$228,729
92000 Asset Management Fee			
92100 Tenant Services - Salaries			
92200 Relocation Costs			
92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other			
92500 Total Tenant Services	\$0	\$0	\$0
93100 Water	\$41,432	\$41,432	\$41,432
93200 Electricity	\$9,436	\$9,436	\$9,436
93300 Gas	\$1,702	\$1,702	\$1,702
93400 Fuel			
93500 Labor			
93600 Sewer	\$23,360	\$23,360	\$23,360
93700 Employee Benefit Contributions - Utilities			

### Mansfield, LA

#### **Entity Wide Revenue and Expense Summary**

	Project Total	Subtotal	Total
93800 Other Utilities Expense	\$8,737	\$8,737	\$8,737
93000 Total Utilities	\$84,667	\$84,667	\$84,667
94100 Ordinary Maintenance and Operations - Labor	\$87,473	\$87,473	\$87,473
94200 Ordinary Maintenance and Operations - Materials and	\$39,834	\$39,834	\$39,834
94300 Ordinary Maintenance and Operations Contracts	\$36,702	\$36,702	\$36,702
94500 Employee Benefit Contributions - Ordinary Maintenance	\$33,253	\$33,253	\$33,253
94000 Total Maintenance	\$197,262	\$197,262	\$197,262
95100 Protective Services - Labor			
95200 Protective Services - Other Contract Costs	7,000,000		
95300 Protective Services - Other			
95500 Employee Benefit Contributions - Protective Services			
95000 Total Protective Services	\$0	\$0	\$0
96110 Property Insurance	\$53,814	\$53,814	\$53,814
96120 Liability Insurance	\$2,480	\$2,480	\$2,480
96130 Workmen's Compensation	\$5,604	\$5,604	\$5,604
96140 All Other Insurance	\$8,012	\$8,012	\$8,012
96100 Total insurance Premiums	\$69,910	\$69,910	\$69,910
96200 Other General Expenses			
96210 Compensated Absences	\$3,570	\$3,570	\$3,570
96300 Payments in Lieu of Taxes	\$21,455	\$21,455	\$21,455
96400 Bad debt - Tenant Rents	\$8,003	\$8,003	\$8,003
96500 Bad debt - Mortgages			

#### Mansfield, LA

#### **Entity Wide Revenue and Expense Summary**

Submission Type: Audited/A-133

	Project Total	Subtotal	Total
96600 Bad debt - Other			у
96800 Severance Expense			
96000 Total Other General Expenses	\$33,028	\$33,028	\$33,028
96710 Interest of Mortgage (or Bonds) Payable			
96720 Interest on Notes Payable (Short and Long Term)			
96730 Amortization of Bond Issue Costs			
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$613,596	\$613,596	\$613,596
97000 Excess of Operating Revenue over Operating Expenses	\$230,048	\$230,048	\$230,048
97100 Extraordinary Maintenance			
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments			
97350 HAP Portability-In			
97400 Depreciation Expense	\$269,817	\$269,817	\$269,817
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$883,413	\$883,413	\$883,413
10010 Operating Transfer In	\$74,741	\$74,741	\$74,741
10020 Operating transfer Out	-\$74,741	-\$74,741	-\$74,741

#### **Entity Wide Revenue and Expense Summary**

	Project Total	Subtotal	Total
10030 Operating Transfers from/to Primary Government			
10040 Operating Transfers from/to Component Unit			
10050 Proceeds from Notes, Loans and Bonds			
10060 Proceeds from Property Sales			
10070 Extraordinary Items, Net Gain/Loss			
10080 Special Items (Net Gain/Loss)			
10091 Inter Project Excess Cash Transfer In			
10092 Inter Project Excess Cash Transfer Out			
10093 Transfers between Program and Project - In			
10094 Transfers between Project and Program - Out			
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$39,769	-\$39,769	-\$39,769
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$2,442,604	\$2,442,604	\$2,442,604
11040 Prior Period Adjustments, Equity Transfers and Correction	-\$16,264	-\$16,264	-\$16,264
11050 Changes in Compensated Absence Balance			
11060 Changes in Contingent Liability Balance			
11070 Changes in Unrecognized Pension Transition Liability			
11080 Changes in Special Term/Severance Benefits Liability			
11090 Changes in Allowance for Doubtful Accounts - Dwelling			
11100 Changes in Allowance for Doubtful Accounts - Other			
11170 Administrative Fee Equity			
11180 Housing Assistance Payments Equity			

#### **Entity Wide Revenue and Expense Summary**

	Project Total	Subtotal	Total
11190 Unit Months Available	1680	1680	1680
11210 Number of Unit Months Leased	1588	1588	1588
11270 Excess Cash	\$550,906	\$550,906	\$550,906
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$77,321	\$77,321	\$77,321
11630 Furniture & Equipment - Dwelling Purchases	\$6,181	\$6,181	\$6,181
11640 Furniture & Equipment - Administrative Purchases	\$32,833	\$32,833	\$32,833
11650 Leasehold Improvements Purchases	\$0	\$0	\$0
11660 Infrastructure Purchases	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0